

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 77 - SB 483

March 14, 2013

SUMMARY OF BILL: Authorizes the conversion of an eligible public school, in the bottom 20 percent of student academic performance, to a public charter school, if 51 percent of the parents of students enrolled at the public school sign a petition requesting conversion to a public charter school or to a turnaround model school, and the local education agency agrees with the conversion. Requires the ratio of votes from parents to be one vote for each child enrolled in the eligible public school. Authorizes the parents of children enrolled at a school being converted to enroll their children in a different public school without penalty. Authorizes the parents of children enrolled in an eligible public school, in the bottom 20 percent of academic performance, or parents of children who are eligible to attend the eligible public school, to petition to convert the school to a public charter school or one of the four turnaround models under the Race to the Top program, which are: the turnaround model; the restart model; the transformation model; and school closure. Requires local education agencies (LEAs) to implement the requested conversion no later than 180 days after the request, or the following school year, if the request is made after March 1, unless the LEA presents a finding in writing at a public meeting that states the reason why the requested conversion is not possible. Requires LEAs to present an alternative plan in the event of denial of the parents' preferred option. Petitioning parents may appeal to the State Board of Education. After a designated school has been reorganized, another reorganization petition shall not be submitted to the governing body for at least three years after the school year in which the reorganization took place. Prohibits schools which the LEA has scheduled to be closed from being eligible for conversion. Authorizes an LEA decision on converting an eligible public school, not in the bottom 20 percent of student academic achievement, to a public charter school to be appealed to the State Board of Education (SBE).

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – To the extent the State Board of Education rules that a school should be closed, or a school should be converted to an alternative model that the local education agency disagrees with, there will be a mandatory increase in local government expenditures reasonably estimated to exceed \$100,000. To the extent a local education agency agrees with any proposed alternative model, there will be a permissive increase in local government expenditures reasonably estimated to exceed \$100,000.

Assumptions:

- Any fiscal impact on the Basic Education Program (BEP) funding formula is estimated to be not significant.
- Any increase in state expenditures for the SBE to hear conversion appeals is estimated to be not significant.
- The fiscal impact on local government expenditures will be dependent upon the type of conversion and the implementation of such conversion. The fiscal impact will vary from LEA to LEA, and from school to school.
- The number and type of petitions for conversions that will be implemented is unknown.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read 'Lucian D. Geise', written in a cursive style.

Lucian D. Geise, Executive Director

/msg